

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 9065

IN THE MATTER OF:

Served October 18, 2005

Investigation of Prescription of)
Interstate Taxicab Rates and)
Charges)

Case No. MP-2005-132

Under the Washington Metropolitan Area Transit Regulation Compact,¹ (Compact), the Commission is responsible for prescribing the rates, charges, regulations, and minimum insurance requirements for interstate taxicab trips in the Washington Metropolitan Area.²

The Commission last prescribed interstate base rates in 2001.³ Since then, costs of taxicab operation have increased generally. Fuel prices in particular have risen dramatically. A majority of local taxicab licensing jurisdictions have responded by increasing their base rates and/or adopting temporary fuel surcharges.⁴

The Commission recently adopted a temporary \$1 per-trip fuel surcharge for application to interstate trips in DC taxicabs and taxicabs operating out of Washington-Dulles International Airport under the Washington Flyer trade name.⁵ The surcharge for DC taxicabs expired August 31. The surcharge for Washington Flyer taxicabs expires January 1, 2006.

The District of Columbia is among those jurisdictions which have implemented both base rate increases and a temporary fuel surcharge since 2001. The District of Columbia Taxicab Commission (DCTC) requests that the Commission investigate whether an increase in the interstate base rate for DC taxicabs is warranted and recommends that we consider the same statistical data that DCTC considered when it determined that an increase in DC zone fares was warranted in 2004.

Likewise, Dulles Taxi Systems, Inc., (DTS), the Washington Flyer concessionaire, requests that the Commission consider increasing

¹ Pub. L. No. 101-505, § 1, 104 Stat. 1300 (1990) (codified at D.C. CODE ANN. § 9-1103.01 (2005); MD. TRANSP. CODE ANN. § 10-203 (2005); & VA. CODE ANN. §§ 56-529, 530 (2005)).

² Compact, tit. II, art. XI, § 1(b).

³ In re Interstate Taxicab Rates, No. MP-01-23, Order No. 6226 (May 17, 2001).

⁴ In re Dulles Taxi Systems, Inc., t/a Washington Flyer, No. MP-05-49, Order No. 8778 at 4 (June 15, 2005).

⁵ Id.

the interstate base rate.⁶ DTS also requests that the Commission consider retaining the \$1 interstate fuel surcharge and increasing it to \$2.

Finally, DC taxicab operators D.C.X., Inc., trading as Diamond Cab, and Hailu Churnet, request that the Commission consider restoring the \$1 interstate fuel surcharge for DC taxicabs, and Diamond Cab suggests increasing it to \$1.50.

For the reasons explained below we find that an investigation of interstate base rates in the Metropolitan District is appropriate at this time. The public and other interested parties will be given an opportunity to comment on whether and to what extent interstate base rates should be increased, plus whether and to what extent the recently adopted \$1 interstate fuel surcharge should be restored/retained and increased. The Commission will take this opportunity to consider, as well, whether and to what extent the Commission's policy regarding extra-passenger charges and snow emergency charges should be amended.

I. JURISDICTION

The Commission's interstate taxicab jurisdiction only applies when the taxicab: (a) has a seating capacity of 9 persons or less, including the driver; and (b) provides transportation from one signatory to another within the Metropolitan District.⁷

The Metropolitan District includes: the District of Columbia; the cities of Alexandria and Falls Church of the Commonwealth of Virginia; Arlington County and Fairfax County of the Commonwealth of Virginia, the political subdivisions located within those counties, and that portion of Loudoun County, Virginia, occupied by the Washington Dulles International Airport; Montgomery County and Prince George's County of the State of Maryland, and the political subdivisions located within those counties; and all other cities now or hereafter existing in Maryland or Virginia within the geographic area bounded by the outer boundaries of the combined area of those counties, cities, and airports.⁸

Solely for the purpose of prescribing interstate taxicab rates, charges, regulations, and minimum insurance requirements, the Metropolitan District also includes that portion of Anne Arundel County, Maryland, occupied by the Baltimore-Washington International Airport, (BWI), but this expansion of the Metropolitan District to include BWI does not apply to transportation conducted by a taxicab licensed by the State of Maryland or a political subdivision of the

⁶ DTS specifically requests an increase to \$2.75 for the first 1/5 mile or fraction and \$0.35 for each additional 1/5 mile or fraction.

⁷ See Compact, tit. II, art. XI, § 3(f) (excluding from the Commission's jurisdiction matters other than rates, charges, regulations, and minimum insurance requirements relating to taxicabs described in art. XI, §§ 1(b), 2).

⁸ Compact, tit. I, art. I.

State of Maryland, or operated under a contract with the State of Maryland.⁹

II. RATE METHODOLOGY AND POLICY

The fare or charge for interstate taxicab transportation may be calculated on a mileage basis, a zone basis, or on any other basis approved by the Commission.¹⁰ The Commission may not require the installation of a taximeter in any taxicab when a taximeter is not permitted or required by the jurisdiction licensing and otherwise regulating the operation and service of the taxicab.¹¹

It has been the Commission's practice since 1961 to "prescribe the rates and charges presently in effect in the local jurisdictions as the interstate rates and charges to the greatest extent possible."¹² For the most part, this means that in the case of a trip in a metered taxicab licensed by a city or county in the Washington Metropolitan Area, the base rate and incidental charges (including fuel surcharges) for interstate trips are the same as those prescribed by the licensing jurisdiction for trips within its own borders.¹³

For trips in District of Columbia taxicabs and Washington Flyer taxicabs, the Commission affirmatively prescribes the interstate base rate because the District of Columbia zone fare system by its very nature does not lend itself to adoption beyond city borders, and there is no licensing jurisdiction prescribing any "domestic" meter or mileage rate for Washington Flyer taxicabs that the Commission might adopt for use on interstate trips. The Commission periodically sets base rates and fuel surcharges for interstate trips in these two types of taxicabs by reference to the median of the range of rates and surcharges adopted by the local meter jurisdictions and in effect at the time.¹⁴ As explained in Order No. 6226, "[t]he Commission has never believed it should lead the way in setting taxicab rates. . . . We further believe that the essential element in our determination of the appropriate rate structure should be comparability with prevailing local rates."¹⁵

As for incidental charges other than fuel surcharges, the Commission has historically adopted for interstate trips in DC taxicabs and Washington Flyer taxicabs the incidental charges prescribed by the

⁹ Compact, tit. II, art. XI, § 2.

¹⁰ Compact, tit. II, art. XI, § 18(b).

¹¹ Compact, tit. II, art. XI, § 18(c).

¹² In re Interstate Taxicab Rates, No. 3, Order No. 67 at 2 (Oct. 9, 1961); see Order No. 6226 at 2 (discussing same).

¹³ See e.g., Order No. 6226 at 7.

¹⁴ Order No. 8778 at 4-5; Order No. 6226 at 3-4.

¹⁵ Order No. 6226 at 2.

District of Columbia Taxicab Commission for application to trips within the District.¹⁶

On the other hand, the Commission historically has prescribed a uniform extra-passenger charge for application to all interstate trips whether a meter is used or not and without regard to licensing jurisdiction.¹⁷ Conversely, the Commission has repeatedly declined to authorize any snow emergency charge for any interstate trip in any taxicab.¹⁸

III. CURRENT AREA BASE RATES

The first table below depicts fares at the current base rates in the local jurisdictions requiring the use of a taximeter. The second table reflects the inclusion of fuel surcharges currently in effect in the local jurisdictions requiring the use of a taximeter. The third table displays the base rates currently in effect in the local jurisdictions requiring the use of a taximeter.

The corresponding WMATC fares and rates for DC taxicabs and Washington Flyer taxicabs are included for comparison, which in the case of Washington Flyer taxicabs includes the \$1 per-trip interstate fuel surcharge in the second table.

DC Area Fare Comparison Excluding Fuel Surcharges				
	One Mile	Ten Miles	Fifteen Miles	Twenty Five Miles
Alexandria	\$4.35	\$18.75	\$26.75	\$42.75
Arlington	3.95	18.35	26.35	42.35
Fairfax	4.15	19.90	28.65	46.15
Montgomery	4.10	18.50	26.50	38.50
Prince George's	3.00	18.75	27.50	45.00
WMATC	3.45	17.85	25.85	41.85

¹⁶ Id. at 3.

¹⁷ Id. at 3.

¹⁸ Id. at 5.

**DC Area Fare Comparison
Including Fuel Surcharges**

	<u>One Mile</u>	<u>Ten Miles</u>	<u>Fifteen Miles</u>	<u>Twenty Five Miles</u>
Alexandria	\$5.35	\$19.75	\$27.75	\$43.75
Arlington	4.45	18.85	26.85	42.85
Fairfax	5.15	20.90	29.65	47.15
Montgomery	5.60	20.00	28.00	40.00
Prince George's	5.00	20.75	29.50	47.00
WMATC - DC	3.45	17.85	25.85	41.85
WMATC - Flyer	4.45	18.85	26.85	42.85

The tables above were derived from the following base rates currently in effect in the Washington Metropolitan Area.¹⁹

Alexandria	\$2.75 initial drop + \$0.40 per 1/4 mi.
Arlington	\$2.75 first 1/4 mi. + \$0.20 ea. add. 1/8 mi.
Fairfax	\$2.75 first 1/5 mi. + \$0.35 ea. add. 1/5 mi.
Montgomery	\$2.50 initial drop + \$0.40 ea. add. 1/4 mi. to 15 mi. + \$0.30 ea. add. 1/4 mi. thereafter
Prince George's	\$1.50 first 1/7 mi. + \$0.25 ea. add. 1/7 mi.
WMATC	\$2.65 first 1/2 mi. + \$0.80 ea. add. 1/2 mi.

¹⁹ See ALEXANDRIA, VA., CODE § 9-12-132 (2005) (current rates); ARLINGTON COUNTY, VA., CODE § 25-14 (2004) (same); FAIRFAX COUNTY, VA., CODE § 84.1-6-3 (2005) (same); MONTGOMERY COUNTY, MD., COMCOR § 53.17.01 (2004) (same); PRINCE GEORGE'S COUNTY, MD., CODE § 20-160 (2005) (same).

As can be seen from the first table above, the interstate base rate set by WMATC in 2001 for DC taxicabs and Washington Flyer taxicabs yields interstate fares that today are the lowest or next to lowest in the region, depending on the distance traveled. When fuel surcharges are included, the WMATC authorized rate yields a fare below the median for all distances.

The public and other interested parties are invited to comment on whether and to what extent the Commission should increase the interstate base rate and restore/retain/increase the recently adopted \$1 interstate fuel surcharge for District of Columbia taxicabs and Washington Flyer taxicabs. The Commission also seeks comments on how interstate rates should be displayed in such taxicabs.

IV. DCTC PROPOSAL

DCTC urges the Commission to consider raising interstate base rates without reference to the base rates of surrounding jurisdictions. Instead, DCTC suggests the Commission determine the appropriate base rate by considering and reviewing: Bureau of Labor statistics regarding DC taxicab operators; changes in "the inflation rate" and the "Cost of Living Index" since 2001; wage estimates, mean annual income and insurance premium rates for taxicab operators in DC and surrounding jurisdictions; the "Consumer Price Index" for taxicab vehicle maintenance costs; and American Automobile Association fuel price data for DC and surrounding jurisdictions.

We encourage DCTC to elaborate on its suggestion during the comment period by proposing a specific interstate base rate with supporting calculations. The Commission welcomes comments on DCTC's proposal from the public and other interested parties as well.

V. EXTRA-PASSENGER CHARGE

Pursuant to Commission Order No. 6226, served May 17, 2001, a taxicab driver may charge \$1 on an interstate trip for each additional passenger in a pre-formed party, provided that one child five years of age or younger shall be transported without charge when accompanied by an individual of at least 16 years of age. As noted above, this uniform extra-passenger charge/free rider policy applies to all interstate trips whether a meter is used or not and without regard to licensing jurisdiction.

Each of the local licensing jurisdictions also specifies an extra passenger charge, including the District of Columbia. Most of those jurisdictions specify a charge of \$1.00, and each publishes rules for determining when minors ride free. Those rules, however, vary from jurisdiction to jurisdiction.

The Commission explained in Order No. 2068 served December 6, 1979, that adopting a single extra-passenger charge/free rider policy applicable to all interstate trips "would tend to promote greater use of taxicabs by families and would also promote the uniformity between interstate and intrajurisdictional rates which has been a goal of this

Commission since its assumption of jurisdiction over interstate rates in 1961."²⁰

As it turns out, the only rate or charge that applies uniformly to all interstate taxicab trips in the Washington Metropolitan Area is the additional passenger charge. Further, this uniformity of a single incidental charge is achieved at the expense of a rate structure that is easier for passengers and drivers to understand and conflicts with the goal of prescribing "the rates and charges presently in effect in the local jurisdictions as the interstate rates and charges to the greatest extent possible."²¹

The public and other interested parties are invited to comment on whether Commission policy should be amended so that the extra-passenger charges prescribed by licensing jurisdictions and the rules under which they apply are adopted for use on interstate trips in the same manner that the Commission adopts other incidental charges prescribed by licensing jurisdictions.

VI. SNOW EMERGENCY CHARGE

Snow emergency charges are among the various incidental taxicab charges currently authorized by Prince George's County, Maryland, Montgomery County, Maryland, and the District of Columbia. The Prince George's County charge is \$3.00 and applies when the Prince George's County Executive determines that "snow emergency conditions" exist.²² The Montgomery County charge is \$2.50 and applies "in the event a snow emergency is declared by the State for the County."²³ In the District of Columbia, zone fares are doubled "during periods of snow emergency as declared by the District of Columbia Taxicab Commission."²⁴

The Commission has never approved a snow emergency charge for interstate taxicab trips and has essentially banned any since 1979, when the Commission analogized a snow emergency charge to a rush-hour charge and declared that either charge "would be counter productive and over-compensatory if added to other interstate rates, inasmuch as drivers would be likely to give undue preference to interstate [trips] at the expense of intra-D.C. passengers."²⁵ The Commission, however, has since reversed its position on a rush-hour charge.²⁶

²⁰ In re Interstate Taxicab Extra-Passenger Rates, No. MP-79-35, Order No. 2068 (Dec. 6, 1979).

²¹ Order No. 67 at 2.

²² PRINCE GEORGE'S COUNTY, MD., CODE, Subtitle 20, § 20-160.01 (2000).

²³ MONTGOMERY COUNTY, MD., COMCOR § 53.17.01 (2004).

²⁴ See <http://dctaxi.dc.gov/dctaxi/site/default.asp> (zone map).

²⁵ In re Interstate Taxicab Rates, No. MP-79-33, Order No. 2067 at 5 (Dec. 6, 1979).

²⁶ See In re Interstate Taxicab Rates, No. MP-96-57, Order No. 4973 (Nov. 19, 1996) (adopting morning rush-hour surcharge and lifting restriction on evening rush-hour surcharge for DC taxicabs); In re

The Commission offered an additional reason for its ban on snow emergency charges in 1982:

Declaration of snow emergencies, like the snowfall itself, differs from jurisdiction to jurisdiction. A taxicab driver working on the street is often in a poor position to know when and where a snow emergency situation has been invoked or cancelled, and an interstate trip always involves at least two jurisdictions. If snow emergency rates, locally invoked and applied, are not sufficient to induce drivers to operate their taxicabs during these difficult times, doubling interstate rates will add little incentive.²⁷

In 1982, however, the Commission was responding to a specific proposal to double interstate fares during snow emergencies. Prince George's and Montgomery Counties' \$3.00 and \$2.50 per-trip snow emergency charges demonstrate that other alternatives exist.

The public and other interested parties are invited to comment on whether Commission policy should be amended so that snow emergency charges prescribed by local meter jurisdictions and the rules under which they apply are adopted for use on interstate trips in the same manner that the Commission adopts other incidental charges prescribed by local meter jurisdictions.

The public and other interested parties are also invited to comment on whether snow emergency charges for District of Columbia taxicabs and Washington Flyer taxicabs should be developed using the methodology for developing fuel surcharges, as described above.

VII. ELECTRONIC SUBMISSION OF COMMENTS

To encourage and facilitate public participation, the Commission shall waive the formal filing requirements of Commission Rule No. 4 and accept comments submitted electronically.

THEREFORE, IT IS ORDERED:

1. That a copy of this order shall be posted to the Commission's website no later than October 19, 2005.

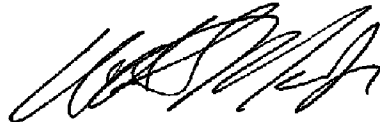
2. That the Commission shall publish notice of this proceeding in a newspaper of general circulation in the Metropolitan District no later than October 21, 2005.

Interstate Taxicab Rates, No. MP-85-07, Order No. 2719 at 12 (June 17, 1985) (adopting restricted evening rush-hour surcharge for DC taxicabs).

²⁷ In re Interstate Taxicab Rates, No. MP-82-03, Order No. 2334 (May 7, 1982).

3. That written comments must be submitted no later than November 9, 2005, by faxing them to (202)653-2179, emailing them to taxi-rates@wmatc.gov or mailing them to 1828 L Street, N.W., Suite 703, Washington, DC 20036.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS YATES, MILLER, AND SMITH:

A handwritten signature in black ink, appearing to read 'W. S. Morrow, Jr.', is positioned above the printed name.

William S. Morrow, Jr.
Executive Director